

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: July 30, 2004

Approved

Ray Winer

Date

8/2/04

Council District: City-wide

**SUBJECT: REPORT ON STATUS OF VENDOR CONTRACT NEGOTIATIONS FOR
AN INTEGRATED UTILITY BILLING, CUSTOMER SERVICE AND
PERFORMANCE MANAGEMENT SYSTEM (CUSP)**

RECOMMENDATION

It is recommended that the City Council adopt a resolution:

1. Amending Resolution No. 72227, adopted at the June 29, 2004 Council Meeting, to extend the period of time for the City Manager to negotiate for the purchase, installation and integration of an Integrated Utility Billing, Customer Service and Performance Management System (CUSP) with BearingPoint/PeopleSoft;
2. Authorizing the City Manager to execute a consultant services contract in an amount not to exceed \$95,000 with Advanced Automation Consulting (AAC) to assist City staff with a business process gap analysis, contract negotiations, and provide technical architecture support related to the development of the BearingPoint/PeopleSoft contract scope of services.

BACKGROUND

On June 29, 2004, the City Council adopted Resolution No. 72227 authorizing the City Manager to enter into exclusive negotiations for sixty (60) days for the purchase, installation, and integration of an Integrated Utility Billing, Customer Service and Performance Management System (CUSP) with BearingPoint/PeopleSoft, with the option to return to the City Council for further recommendation in the event business terms are not reached with BearingPoint/PeopleSoft.

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As a means to assure the scope of services negotiated with BearingPoint/PeopleSoft encompasses all relevant requirements leading to the successful implementation of the CUSP project, staff determined a third-party consultant would best provide the industry expertise and experience necessary. An RFQ was issued on July 9, 2004 soliciting responses from qualified consultants specializing in the selection of Customer Information System solutions to assist the City with a business process gap analysis, contract negotiations with Bearing Point/PeopleSoft, provide technical architecture support and project quality assurance related to the implementation of the CUSP project. The RFQ was e-mailed to ten (10) CIS selection consultancies on July 9, 2004. The RFQ was also posted on the City of San Jose BidLine by 8:30 a.m. on July 12, 2004. The RFQ closing date was July 16, 2004 at 5:00 p.m. At the time of closure, 10 responses were received.

Staff expects that a fully negotiated contract with BearingPoint/PeopleSoft will be brought to the City Council for approval within 60 days after a consultant services firm is selected and begins working with the City on the aforementioned components of the CUSP project.

ANALYSIS

Proposals received were evaluated based on relevant experience commensurate with the City's requirements. Upon completion of the initial evaluation, the team then met with the CUSP Project Manager to discuss the completed evaluation forms and ultimately reached consensus for presentation to the CUSP Steering Committee.

On July 27, 2004, the evaluation team met with the CUSP Steering Committee to present the selection methodology and results. The Steering Committee, taking into consideration the evaluation rating as well as cost, made a decision to recommend proceeding with Advanced Automation Consulting (AAC) to provide the following services:

Business Process Gap Analysis / Contract Negotiations: Consultant selected will assist staff with a comparison of more than 2,000 PeopleSoft/SPL features with existing business processes to determine where any "gaps" exist prior to executing a contract. Consultant will provide expertise to remedy "gaps" by recommending application modifications and/or changing the business process.

Technical Architecture Support: Consultant selected will review the technical architecture proposed by BearingPoint/PeopleSoft and assist staff with the development of a Service Level Agreement with the software and hardware vendors.

AAC has prior experience in contract negotiations with BearingPoint and PeopleSoft/SPL. AAC's consultants possess current working knowledge of the PeopleSoft/SPL application to facilitate a business process gap analysis within a municipal environment. AAC's relevant experience includes water, wastewater, and solid waste, all of which will be considered in the scope of the CUSP project.

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Based upon the final scope of services with BearingPoint/PeopleSoft, staff will better understand the necessary elements required for the project quality assurance component of the CUSP project implementation. Staff will request City Council approval for this component at the same time approval for the final BearingPoint/PeopleSoft contract is considered.

PUBLIC OUTREACH

This procurement was posted on the City of San José web site.

COORDINATION

This memorandum has been coordinated with the departments of Finance, Environmental Services, Information Technology and the Offices of the City Manager and the City Attorney.

CEQA

Not a project

A handwritten signature in black ink, appearing to read "Scott P. Johnson", followed by the word "FOR" in a smaller, handwritten font.

SCOTT P. JOHNSON
Director, Department of Finance

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